Chapter 12
Knowledge Management Enablers and Knowledge Sharing Process: A Case Study of Public Sector Accounting Organization in Malaysia

Kalsom Salleh
Universiti Teknologi MARA, Malaysia

Syed Omar Sharifuddin Syed Ikhsan
National Institute of Public Administration of Malaysia (INTAN), Malaysia

Syed Noh Syed Ahmad
Universiti Teknologi MARA, Malaysia

EXECUTIVE SUMMARY

In the knowledge based economy era, the success of an organization lies more in its intellectual capital and system capabilities than its physical assets and financial capital. Therefore, professional intellects such as lawyers, doctors, systems analysts, accountants are an important source of intelligence for most organizations. Knowledge Management (KM) in a public sector organization can take advantage the transfer and sharing process of experiences, ideas and expertise of the organization’s professional intellects for the organization’s knowledge assets with the support of information technology. Therefore, this chapter presents the knowledge sharing model that interconnects KM enablers and knowledge sharing process for KM implementation success in the public sector accounting organization in Malaysia. Survey questionnaires were used as the main instrument to collect data from all public sector accountants working in the Accountant General’s Department (AGD) which is an accounting specialist department of the Federal Government in Malaysia. This selected knowledge intensive accounting organization has a large pool of public sector accountants and the core competencies of the organization are to provide timely accounting information and quality accounting services to all agencies of the Federal Government. Therefore, knowledge management (KM) in this case study organization is concerned with the

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flow of accounting knowledge during the sharing process of public sector accountants and getting value through the knowledge flow for the organizational performance. Since the main task of the AGD is heavily related to accounting process and technology for its financial data integrity, the statistical results of this case study research provide evidence that knowledge sharing technology has a high significant impact on the knowledge sharing performance as compared to other moderate significant factors such as leadership roles to create knowledge sharing culture, ICT skills and know-how of accountants and the ICT infrastructure and software for the accounting information system.

ORGANIZATION BACKGROUND

In Malaysia, the public sector accounting agencies comprise of Treasury and the Accountant General’s Department (AGD). Both of them are under the direct control of Ministry of Finance. The AGD is entrusted with the responsibilities of identifying and formulating all accounting standards, principles and procedures and ensuring their compliance by all agencies of Federal and State Government. The AGD is also the main repository of all financial and accounting data pertaining to revenue receipts, trust monies, loans and investments and all disbursements of the Federal Government. In addition, the AGD provides training, consultancy and advisory services on all accounting matters to both the Federal and the State agencies. The vision of the AGD is to be an organization of global repute in public sector accounting and financial services while its mission is to strive for improving public sector accountability through excellent accounting services and management information system.

As a knowledge nexus of public sector accounting knowledge and practices, the AGD will continue to play its role as an advisor, initiator, developer and implementer of accounting systems for the public services sector in Malaysia apart from its primary objective of maintaining and preparing the accounts and financial reports of Federal Government. A high quality of government accounting personnel is crucial on perfecting the administrative and accounting systems in the AGD besides having a computerised system with latest technology.

KM is one of the AGD’s information and communication technologies (ICT) plan to leverage on the wealth of data and information available within the organization into corporate knowledge depository to support the informed decision making and its future adoption for accrual accounting system. The current AGD’s leadership is also focussed on the technological development (ICT infrastructure and KM technologies) and human resource management programs (job training, learning opportunities, performance appraisal and incentives, job rotation and online mentor mentee).

SETTING THE STAGE

AGD has 10 departments to carry out accounting operations and services at the headquarter office as well as 35 branch accounting offices and 10 self-accounting offices located throughout the country in order to provide efficient and timely services to its customers i.e. the ministries, departments and agencies of Federal Government. The two main accounting services provided by the AGD are the preparation of public accounts of Federal Government and the maintenance of accounting system applications.

The use of computer technology in government is not only restricted to data processing areas but was also extended to several new areas such as communication networks and access to information services. In 2006, AGD took a big